



May 10, 2001

Utah Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

To Whom It May Concern:

Please find enclosed a permit for the drilling of the Quest #16-10 located in the SE SE of section 10 T11S R25E, Uintah County. Enclosed are the following materials:

- 1) Complete drilling plan (2copies).
- 2) Form 3 (2 copies).
- 3) Survey plats (2 copies).
- 4) A letter from the Division of Water Rights indicating our source of water (2 copies).
- 5) Affidavit on our surface agreement status with Cliff Synfuels (2 copies).

The Land is in fee and the surface is owned by Cleveland Cliffs Iron Company. Cleveland Cliffs has informed us that the well is located below the oil shale, geologic section.

Expected bottom hole pressure is 2085 lbs.

Estimated tops based on Anschutz Texas Creek #14-22 well are:

Green River:	Surface
Wasatch:	1320 feet
Mesa Verde:	2260 feet

Based on the previous Anschutz Texas Creek #14-22 fresh water will be less than 800 feet. Oil and gas zones will start at 1320 feet. Drilling plans to go to the base of the Mesa Verde Formation. No other mineral bearing zones are expected to be encountered in the well.

Please call me at the phone numbers and address given below if you have and questions. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "S. A. Tedesco", written over a horizontal line.

Steven A. Tedesco

SAT/jnk
Enclosures

RECEIVED

JUN 01 2001

**DIVISION OF
OIL, GAS AND MINING**

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: None	
2. NAME OF OPERATOR: Huntford Resources Corp.		7. UNIT or CA AGREEMENT NAME: None	
3. ADDRESS OF OPERATOR: 14550 E. Easter Ave Suite 1000 CITY Englewood STATE CO ZIP 80112 PHONE NUMBER: 303-617-7454		8. WELL NAME and NUMBER: Quest 16-10	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 740' FSL 662' FEL AT PROPOSED PRODUCING ZONE: Same		9. FIELD AND POOL, OR WILDCAT: Wildcat	
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Vernal 45 miles North		10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE SE 10 T11S R25E	
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) In excess of three miles		11. COUNTY: Uintah	
15. NUMBER OF ACRES IN LEASE: 160		12. STATE: UTAH	
16. NUMBER OF ACRES ASSIGNED TO THIS WELL: 80		17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2764'	
18. PROPOSED DEPTH: 2900'		19. BOND DESCRIPTION: Blanket Bond	
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): Ungraded Ground 6134'		21. APPROXIMATE DATE WORK WILL START: As soon as possible	
		22. ESTIMATED DURATION: Ten Days	

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
10 3/4"	J-55 32#/ft	1500'	Class "G" 50-50 Poz 1.55 cf/sx cu ft cement 336.225
	8 5/8"	800'	cu ft/lin ft 0.22415
			50% excess 504.338 Sacks cement 325.379
7 7/8"	J-55 10.5#/ft	2900'	Class G 1.2 cf/sx cu ft/lin ft 0.2277
	4 1/2"		cu ft cement 364.32 10% excess 400.75
			Sacks cement 333.96 200' overlap

24. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Steven A. Tedesco

TITLE President

SIGNATURE

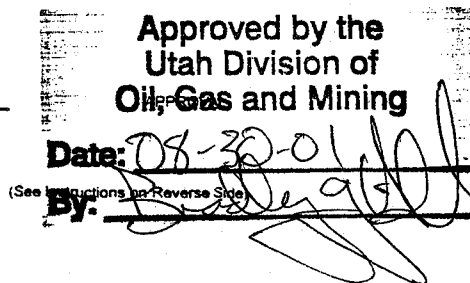
DATE 05/24/2001

(This space for State use only)

API NUMBER ASSIGNED:

43-047-34119

(5/2000)



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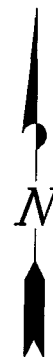
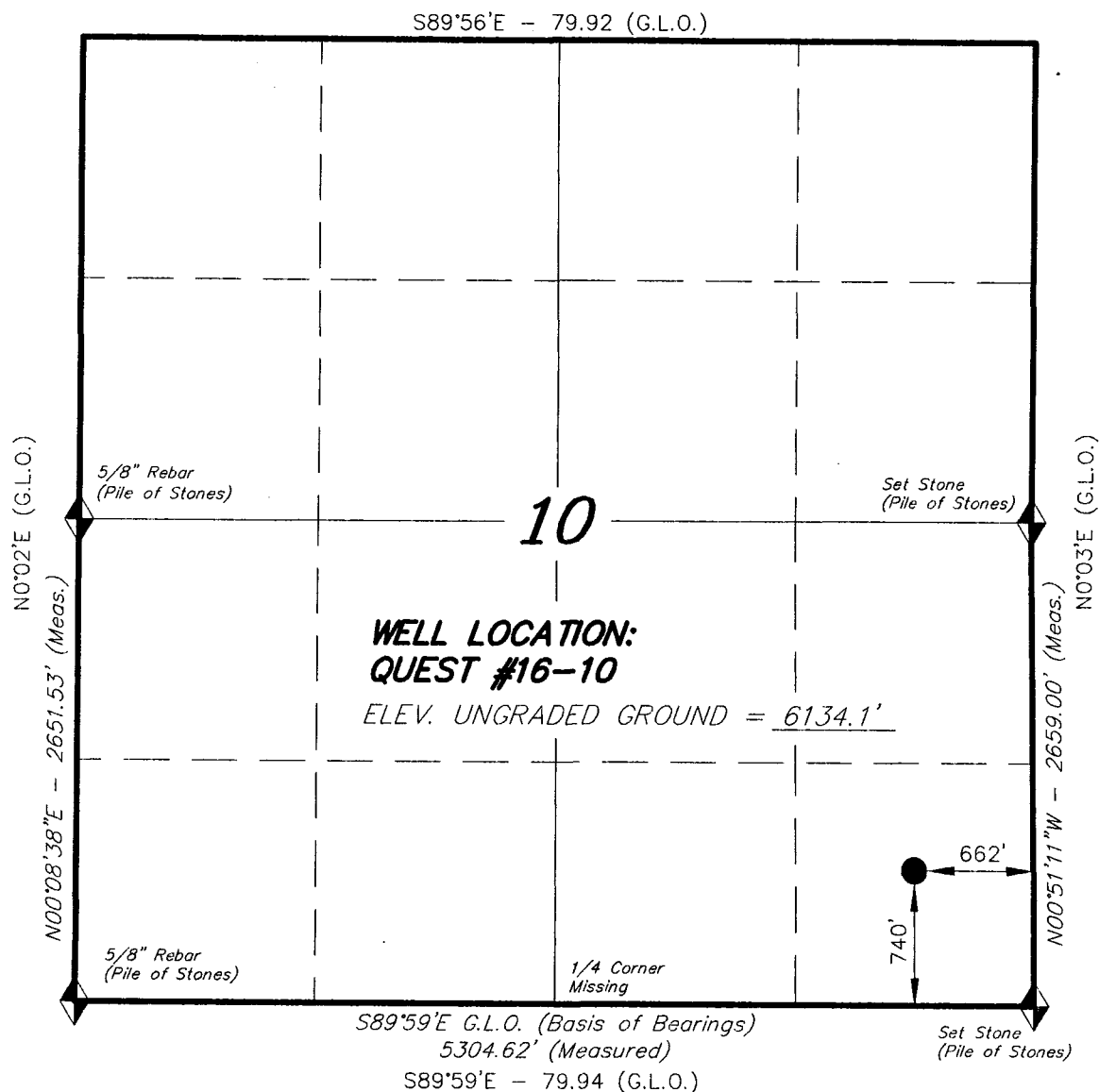
JUN 01 2001

DIVISION OF
OIL, GAS AND MINING

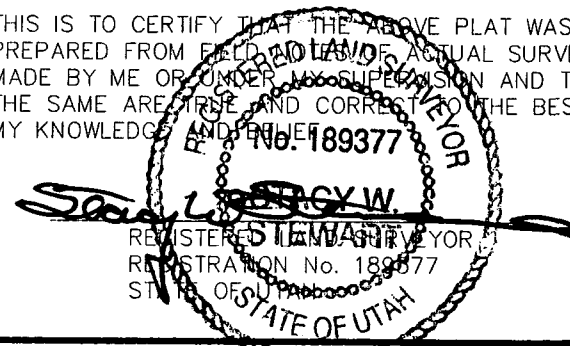
T11S, R25E, S.L.B.&M.

HUNTFORD RESOURCES CORP.

WELL LOCATION, QUEST #16-10,
LOCATED AS SHOWN IN THE SE 1/4 SE
1/4 OF SECTION 10, T11S, R25E,
S.L.B.&M. UTAH COUNTY, UTAH.



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE AND BELIEF.



= SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (DRAGON)

TRI STATE LAND SURVEYING & CONSULTING

38 WEST 100 NORTH - VERNAL, UTAH 84078
(435) 781-2501

SCALE: 1" = 1000'

SURVEYED BY: D.J.S.

DATE: 5-14-01

WEATHER: WARM

NOTES:

FILE #

AFFIDAVIT

State of Colorado }
 } ss
County of Arapahoe }

Steven A. Tedesco, whose address is 14550 East Easter Ave., Suite 1000, Englewood, Colorado 80112, being first duly sworn sates:

I am President employed by Huntford Resources Corporation, and I am familiar with the ownership of the surface of the following described parcels of land located in Uintah County, Utah, to wit:


Township 11 South, Range 25 East, Salt Lake Meridian
Section 10: SE1/4 SE1/4 owned by Cliffs Synfuel Inc.

Between June of 2000 to May 25, 2001, Huntford and its agents have been in discussions with Gary Aho, President of Cliffs Synfuels, Inc. in an attempt to negotiate for the use of the surface and settlement of anticipated damages prior to entry upon the lands for the purpose of drilling the Quest #16-10 at a legal location of 662' FEL 740' FSL (SE SE) of Section 15, Township 11 South, Range 25 East, SLM.

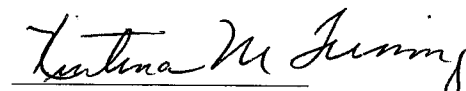
On behalf of Huntford, I have made an offer to Cliffs Synfuels, Inc. which was fair, equitable and consistent with offers made by Huntford and accepted by other fee surface owners in the area for similar disturbances in the drilling of test wells for the production of oil and gas.

Cliffs Synfuels has constantly demanded additional compensation or terms that are not related to surface damage or surface use and are inconsistent with normal oil and gas operations.

Further affiant saith not.


Steven A. Tedesco




Notary Public

Address: 5141 S. Gibraltar Ct
Aurora CO 80015

My commission expires: 5-22-04

Drilling Plan
(ABBREVIATED)
Quest 16-10
SEC. 10-T11S-R25E
UINTAH COUNTY, UTAH

05/24/2001
M G Wagner

- 1) PU a 10 3/4' bit and 6" droll collars, drill to 1500' with fresh water and or spud mud. Circulate and condition hole. TOOH.
- 2) PU the following casing and cementing equipment:
 - a) Guide Shoe for 8 5/8" casing
 - b) 1 joint of 8 5/8", 24.4 ppf, J55 casing with centralizer and stop ring in center of joint
 - c) Float Collar for 8 5/8" casing
 - d) 8 5/8", 24.4 ppf, J55 casing to surface with centralizers every other joint
 - e) Cementing head
- 3) Cement with 50-50 pozmix (1.55 cu.ft./sk yield) and additives as necessary to bring cement to surface, estimated using hole diameter plus 50% excess. WOC minimum of 8 hrs.
- 4) Cut off surface casing and weld on 8 5/8", 3M casing head. NU 3M BOPE. Pressure test same to 500 psig and 3000 psig. BOPE will include:
 - a) Blind ram
 - b) Pipe ram
 - c) Rotating head for 750 psig surface pressure
 - d) 3M choke manifold
- 5) PU 7 7/8" bit and drill collars. Drill out of casing shoe with fresh water. Drill to 2900' TD using 4% KCL water/polymer. Take surveys per State requirements, or as deviation dictates.
- 6) At TD, run a GR/DIL/FDC/CNL/caliper log suite from TD to base of surface casing.
- 7) PU the following casing and cementing equipment:
 - a) Guide shoe for 4 1/2" casing
 - b) 1 joint of 4 1/2", 10.5 ppf, J55 casing with centralizer and stop ring in center of joint
 - c) Float Collar for 4 1/2" casing
 - d) 4 1/2", 10.5 ppf, J55 casing to surface with centralizers across every prospective interval
 - e) Cementing head
- 8) Cement with Class G neat (1.2 cu.ft./sk yield) to surface using caliper log plus 10%. Reciprocate pipe if possible.
- 9) Land casing as cemented (full tension). Cut off and install tubing head and valve. RDMORT. Prepare to complete well.

FILING FOR WATER IN THE STATE OF UTAH

Rec. by _____

Fee Rec. _____

Receipt # _____

APPLICATION TO APPROPRIATE WATER

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements to Title 73, Chapter 3 of the Utah Code Annotated (1953, as amended).

WATER RIGHT NUMBER: 49 - 1629

TEMPORARY APPLICATION NUMBER: T73468

1. OWNERSHIP INFORMATION:

LAND OWNED?

A. NAME: Huntford Resources Corporation
Attn: Jamie Kowal

ADDRESS: 14550 East Easter Avenue Ste. 1000, Englewood, CO 80112

B. PRIORITY DATE: May 21, 2001

FILING DATE: May 21, 2001

2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 8.0 acre-feet

B. SOURCE: Evacuation Creek

COUNTY: Uintah

C. POINT OF DIVERSION -- SURFACE:

(1) S 300 feet E 1082 feet from NW corner, Section 28, T 11S, R 25E, SLBM
DIVERT WORKS: Pump into tank trucks

3. WATER USE INFORMATION:

OIL EXPLORATION: from Jun 1 to May 31. Drilling and completion of gas wells in
the Park Canyon area so. of Bonanza.

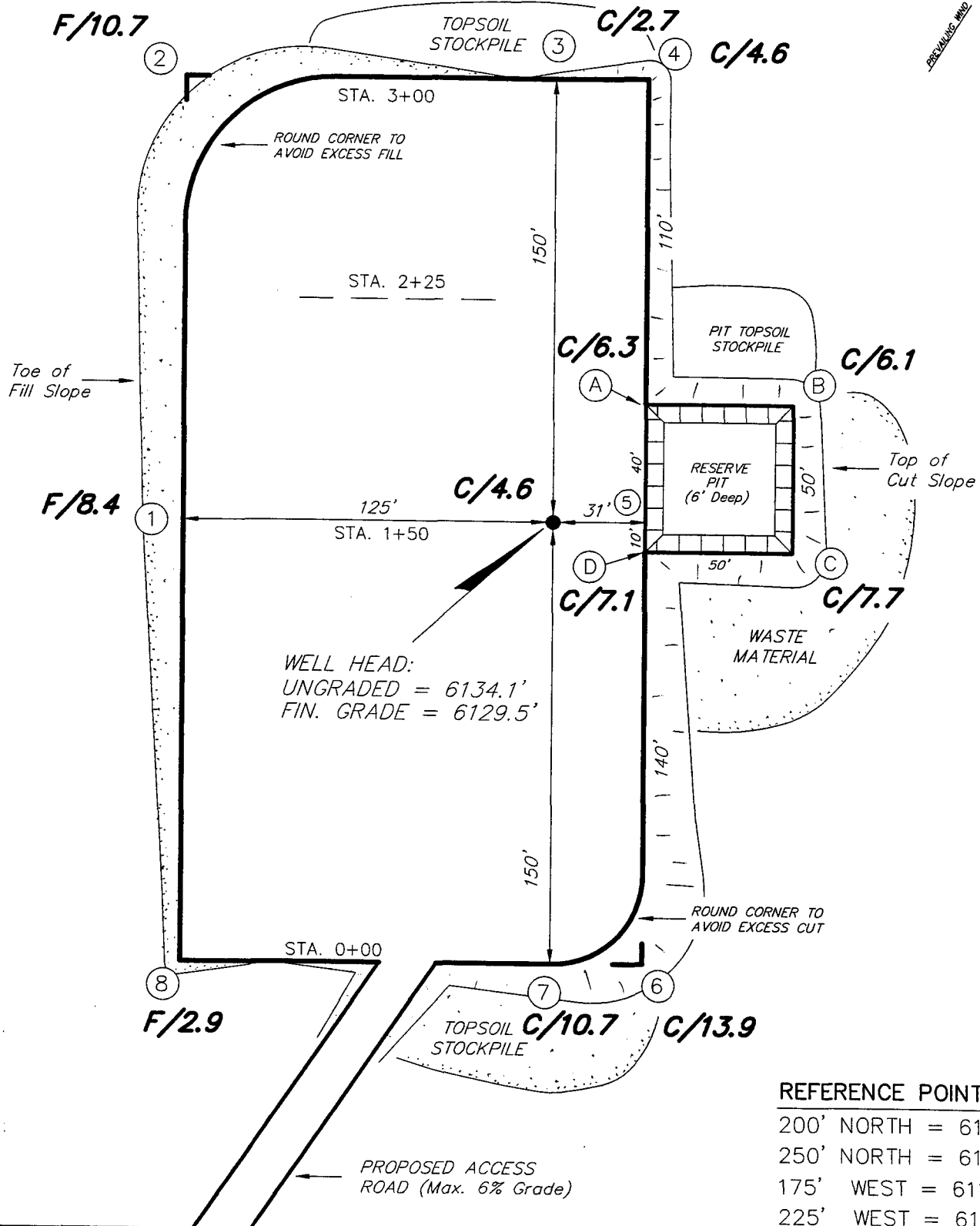
4. PLACE OF USE: (which includes all or part of the following legal subdivisions:)

BASE	TOWN	RANG	SEC	NORTH-WEST¼	NORTH-EAST¼	SOUTH-WEST¼	SOUTH-EAST¼
				NW NE SW SE	NW NE SW SE	NW NE SW SE	NW NE SW SE
SL	11S	24E		Entire TOWNSHIP			
SL	11S	25E		Entire TOWNSHIP			
SL	12S	24E		Entire TOWNSHIP			
SL	12S	25E		Entire TOWNSHIP			

HUNTFORD RESOURCES CORP

QUEST #16-10

SEC. 10, T11S, R25E, S.L.B.&M.



REFERENCE POINTS

200' NORTH = 6130.2'
 250' NORTH = 6127.6'
 175' WEST = 6118.8'
 225' WEST = 6118.0'

SURVEYED BY: D.J.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

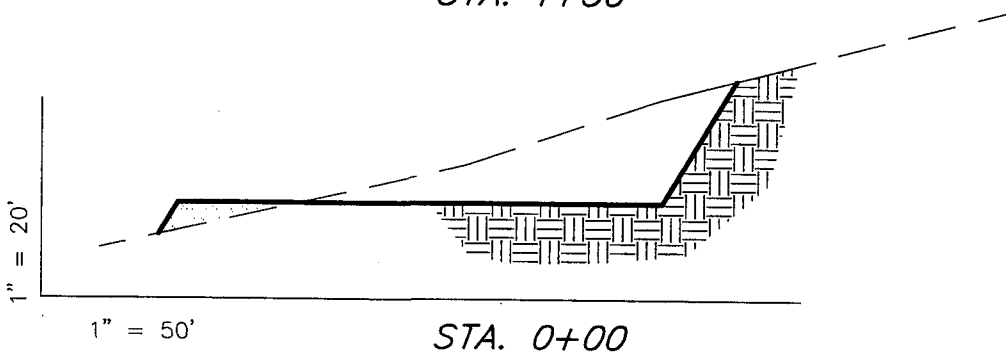
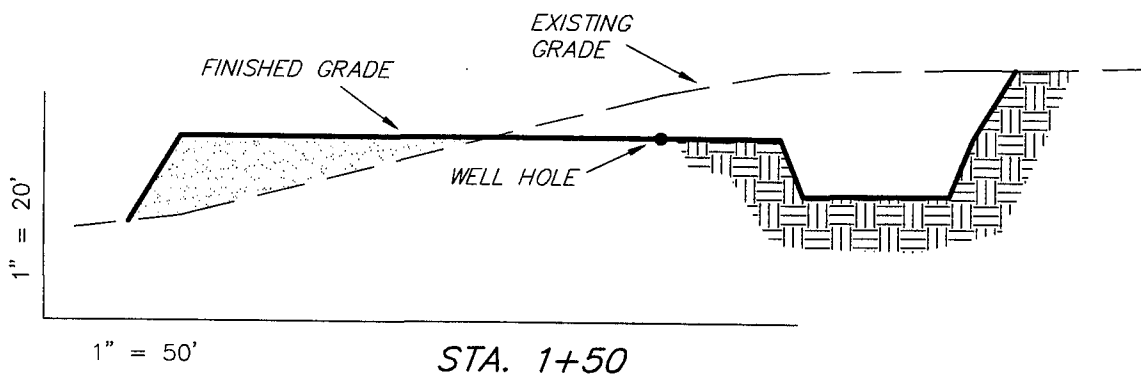
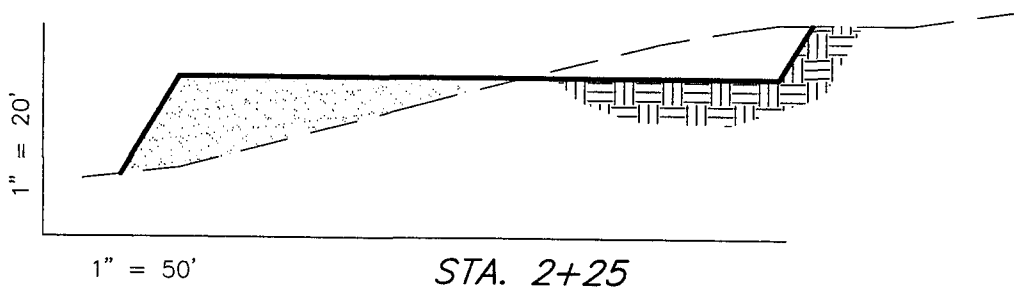
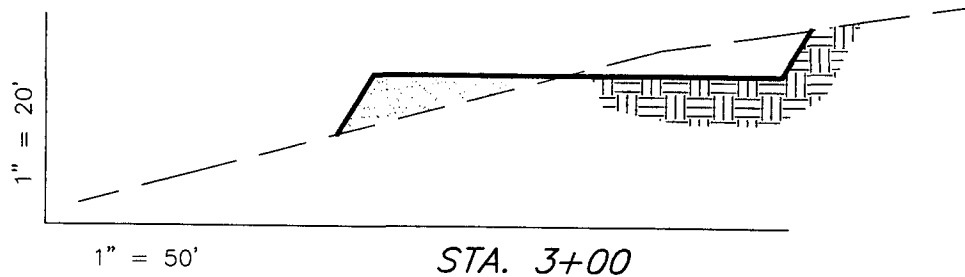
DATE: 5-14-01

Tri State
 Land Surveying, Inc.

(435) 781-2501

38 WEST 100 NORTH VERNAL, UTAH 84078

HUNTFORD RESOURCES CORP
CROSS SECTIONS
QUEST #16-10



APPROXIMATE YARDAGES

CUT = 4,590 Cu. Yds.

FILL = 4,590 Cu. Yds.

PIT = 430 Cu. Yds.

6" TOPSOIL = 910 Cu. Yds.

SURVEYED BY: D.J.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

DATE: 5-14-01

Tri State
Land Surveying, Inc.

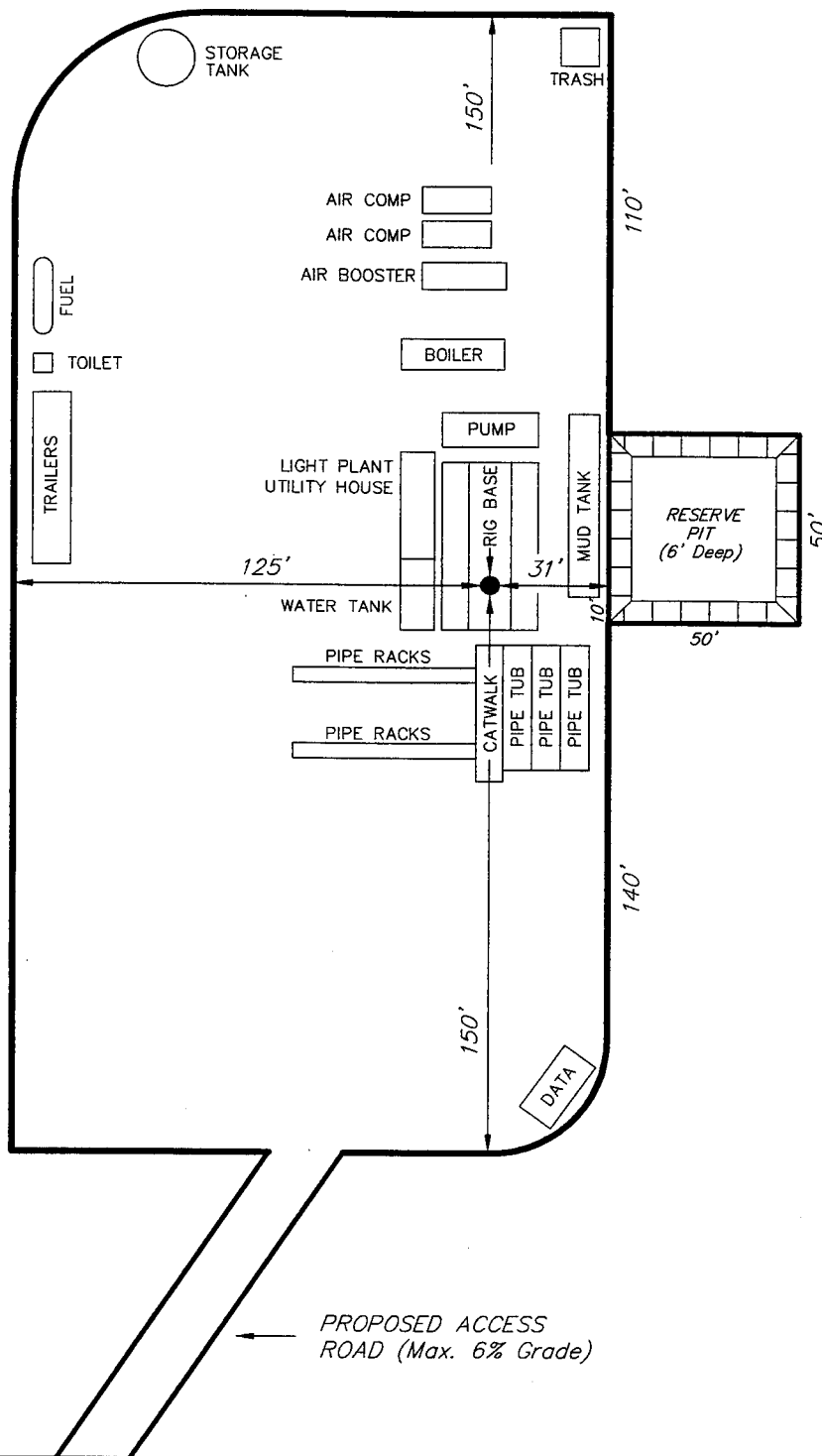
(435) 781-2501

38 WEST 100 NORTH VERNAL, UTAH 84078

HUNTFORD RESOURCES CORP

TYPICAL RIG LAYOUT

QUEST #16-10



SURVEYED BY: D.J.S.

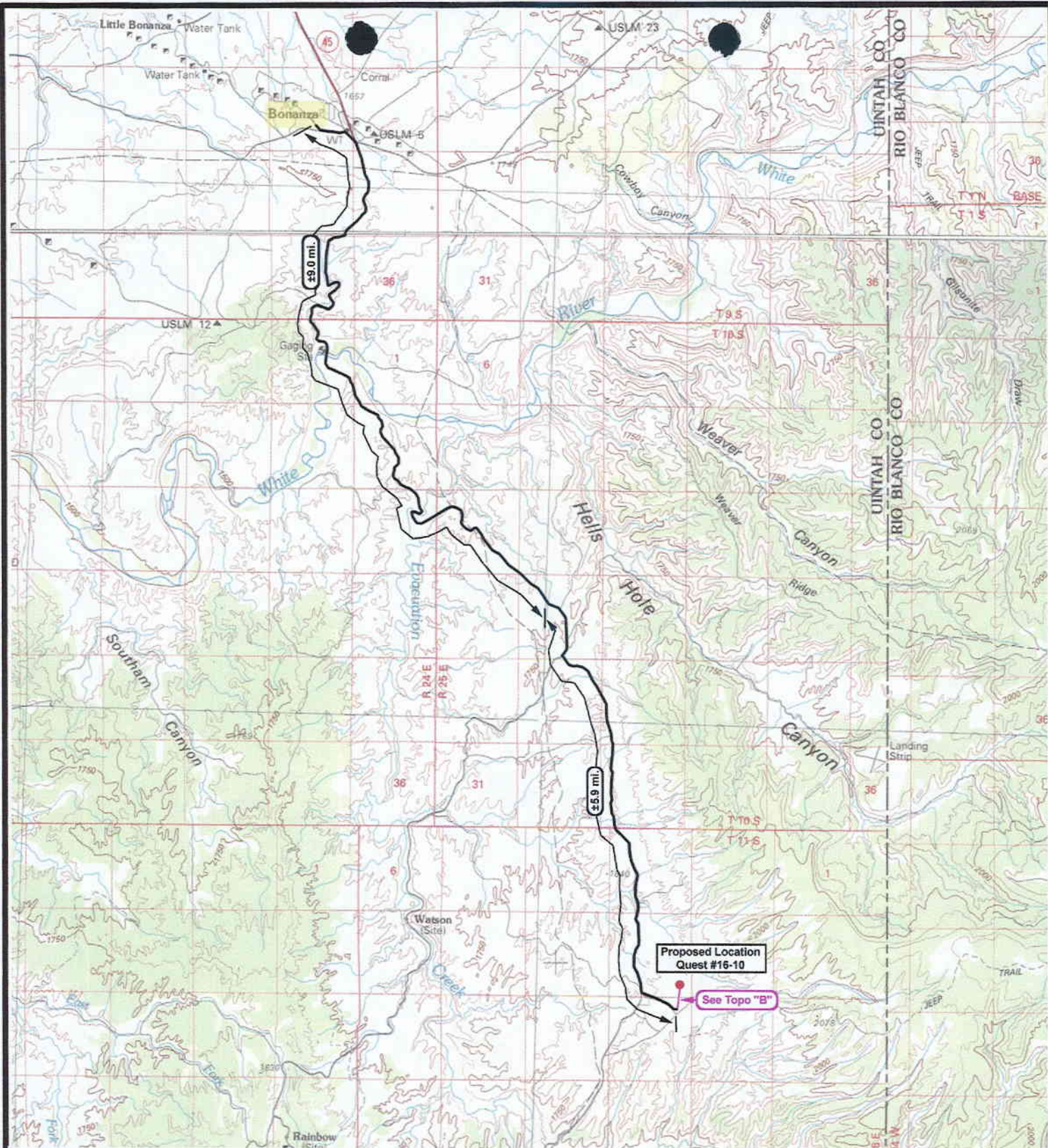
SCALE: 1" = 50'

DRAWN BY: J.R.S.

DATE: 5-14-01

Tri State
Land Surveying, Inc.
38 WEST 100 NORTH VERNAL, UTAH 84078

(435) 781-2501



HUNTFORD
◆Resources Corporation◆

Quest #16-10
Sec. 10, T11S, R25E, S.L.B.&M.



Tri-State
Land Surveying Inc.
(435) 781-2501
38 West 100 North Vernal, Utah 84078

SCALE: 1" = 2000'
DRAWN BY: bgm
DATE: 05-14-2001

Legend

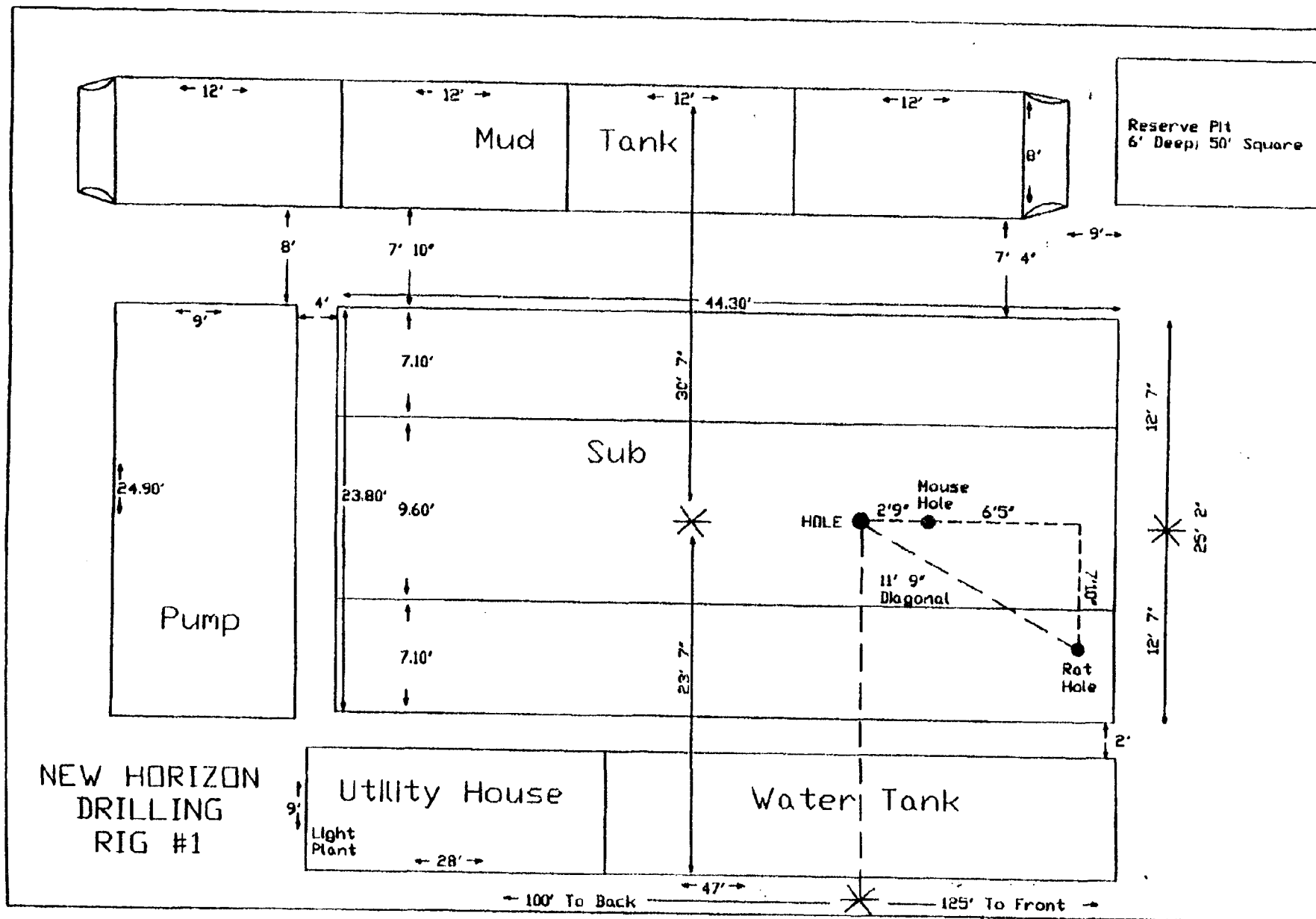
Existing Road
Proposed Access

TOPOGRAPHIC MAP

"A"

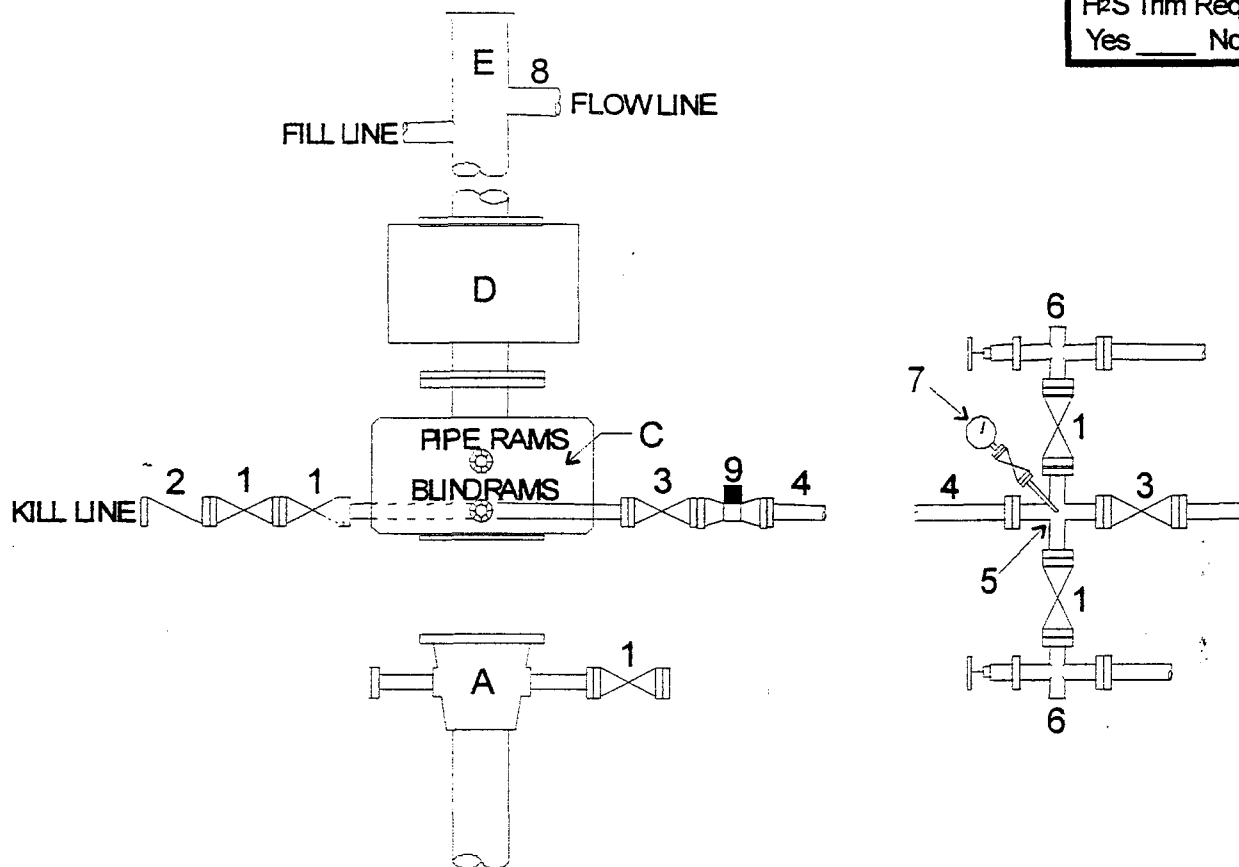
NEW HORIZON
DRILLING
RIG #1

RIG LAYOUT



Revised 11/24/2000

H₂S Trim Required
Yes _____ No _____



MATERIAL LIST

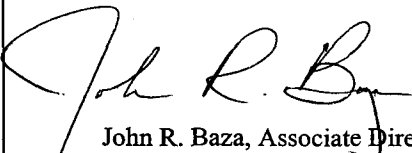
Item	Description	Qty.
A	Wellhead	1
B	3000# W.P. single ram type preventer, hydraulic operated with 1" steel, 3000# W.P. control lines.	1
C	3000# W.P. dual ram type preventer, hydraulic operated with 1" steel, 3000# W.P. control lines. The drilling spool is to be installed below the double ram type preventers if needed.	1
D	Annular preventer, hydraulic operated with 1", 3000# W.P. control lines.	1
E	Bell nipple with flow line and fill-up outlets.	1
1	3" minimum 3000# W.P. flanged full opening steel gate valve.	5
2	3" minimum 3000# W.P. back pressure valve.	1
3	3" minimum 3000# W.P. flanged full opening steel gate valve.	3
4	3" minimum schedule 160, Grade "B" seamless line pipe.	
5	3" minimum x 3" minimum 5000# W.P. flanged cross.	1
6	3" minimum 5000# W.P. adjustable choke body.	2
7	Cameron Mud Gauge or equivalent (location optional choke line).	1
8	8-5/8" minimum steel flow line.	

Drilling Control
Condition III-3000# W.P.

Exhibit D

New Horizon Drilling Co., LLC
Littleton, Colorado

STATE ACTIONS
State Clearinghouse Coordinator
116 State Capitol, SLC, UT 84114
538-1535

1. Administering State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. State Application Identifier Number: (assigned by State Clearinghouse) 3. Approximate date project will start: Upon Approval
4. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Uintah Basin Association of Governments	
5. Type of action: / / Lease /X/ Permit / / License / / Land Acquisition / / Land Sale / / Land Exchange / / Other _____	
6. Title of proposed action: Application for Permit to Drill	
7. Description: Huntford Resources Corp proposes to drill the Quest 16-10 well (wildcat) on a Fee lease, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
8. Land affected (site location map required) (indicate county) SE/4, SE/4, Section 10, Township 11 South, Range 25 East, Uintah County, Utah	
9. Has the local government(s) been contacted? No	
10. Possible significant impacts likely to occur: Degree of impact is based on the discovery of oil or gas in commercial quantities.	
11. Name and phone of district representative from your agency near project site, if applicable: 	
12. For further information, contact: Lisha Cordova Phone: (801) 538-5296	13. Signature and title of authorized officer  John R. Baza, Associate Director Date: June 6, 2001



May 10, 2001

Utah Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

To Whom It May Concern:

Please find enclosed permits for the drilling of the Quest #6-15, Quest #8-15, Quest #14-10, and Quest #16-10 wells located in T11S R25E, Uintah County. Enclosed are the following materials:

- 1) Complete drilling plans (all wells).
- 2) Form 3 (all wells).
- 3) Survey plats (all wells).
- 4) A letter from the Division of Water Rights indicating our source of water (all wells).
- 5) Affidavit on our surface agreement status with Cliff Synfuels.

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STATE OF UTAH
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NAME (PLEASE PRINT) Steven A. Tedesco

TITLE President

SIGNATURE 

DATE 05/24/2001

(This space for State use only)

API NUMBER ASSIGNED: 43-047-34119

APPROVAL:

RECEIVED

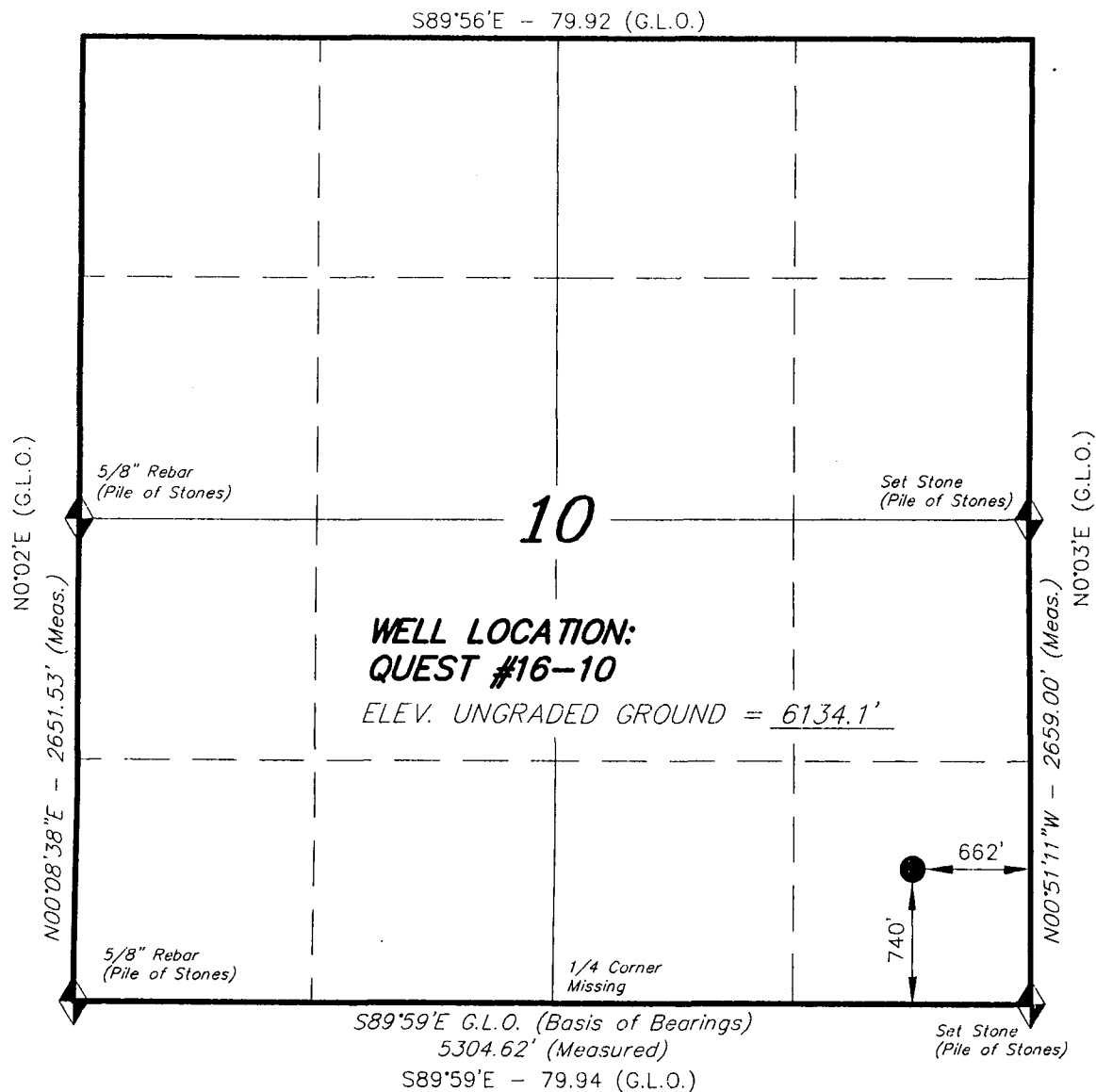
JUN 01 2001

DIVISION OF
OIL, GAS AND MINING

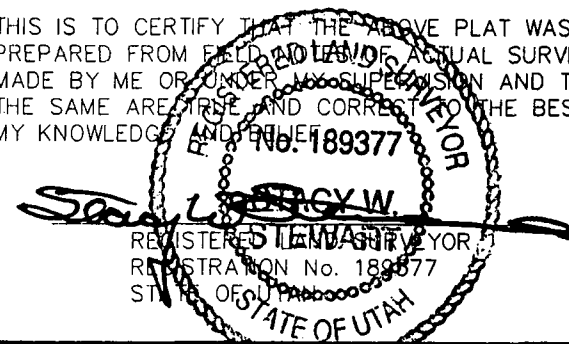
T11S, R25E, S.L.B.&M.

HUNTFORD RESOURCES CORP.

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S.L.B.&M. UTAH COUNTY, UTAH.



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MADE BY ME OR UNDER MY SUPERVISION AND THAT
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◆ = SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (DRAGON)

TRI STATE LAND SURVEYING & CONSULTING
38 WEST 100 NORTH - VERNAL, UTAH 84078
(435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: D.J.S.
DATE: 5-14-01	WEATHER: WARM
NOTES:	FILE #

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/01/2001

API NO. ASSIGNED: 43-047-34119

WELL NAME: QUEST 16-10

OPERATOR: HUNTFORD RESOURCES CORP (N1405)

CONTACT: STEVEN TEDESCO

PHONE NUMBER: 303-617-7454

PROPOSED LOCATION:

SESE 10 110S 250E

SURFACE: 0740 FSL 0662 FEL

BOTTOM: 0740 FSL 0662 FEL

UINTAH

WILDCAT (1)

INSPECT LOCATN BY: / /

Tech Review

Initials

Date

Engineering

DED

8/17/01

Geology

Surface

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: WSMVD

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[] Ind[] Sta[] Fee[4]

(No. 0621469550)

☒ Potash (Y/N)

☒ Oil Shale (Y/N) **Amended by 190-13*

☒ Water Permit

(No. 49-1629)

☒ RDCC Review (Y/N)

(Date: 06/22/2001)

☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

☒ R649-2-3. Unit

☒ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

☐ R649-3-3. Exception

☐ Drilling Unit

Board Cause No: _____

Eff Date: _____

Siting: _____

☐ R649-3-11. Directional Drill

COMMENTS:

Need Presits. (07-17-01)

STIPULATIONS:

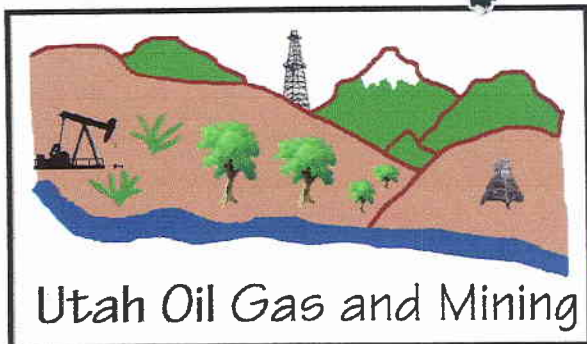
① STATEMENT OF BASIS

② OIL SHALE

③ Cement to Surface Strip on Production Casing (~725 ft)

④ Cement Bond Log shall be run to assure a good cement job to surface

⑤ Spacing Strip.

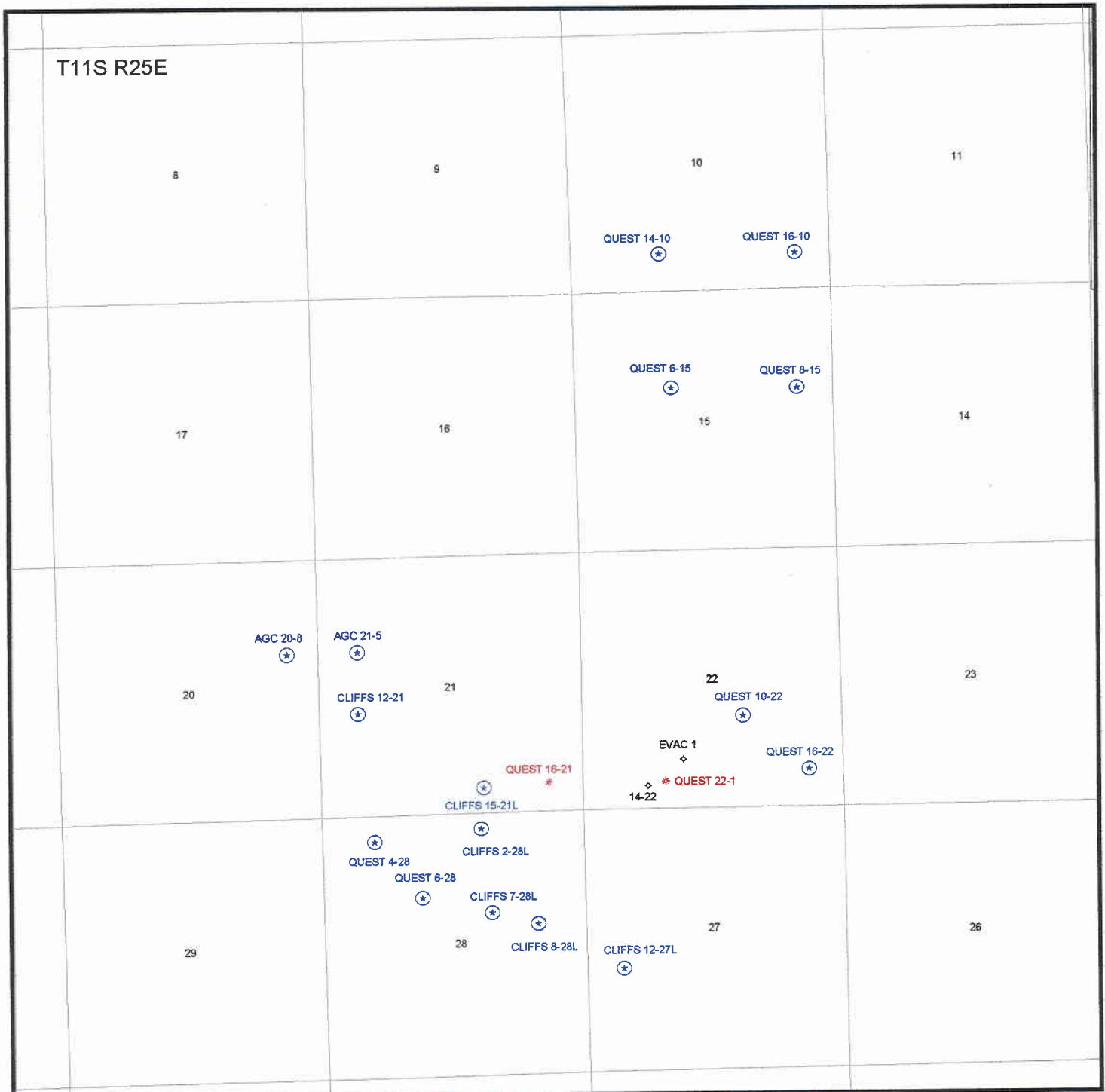


OPERATOR: HUNTFORD RESOURCES (N1405)

SEC. 10, T11S, R25E

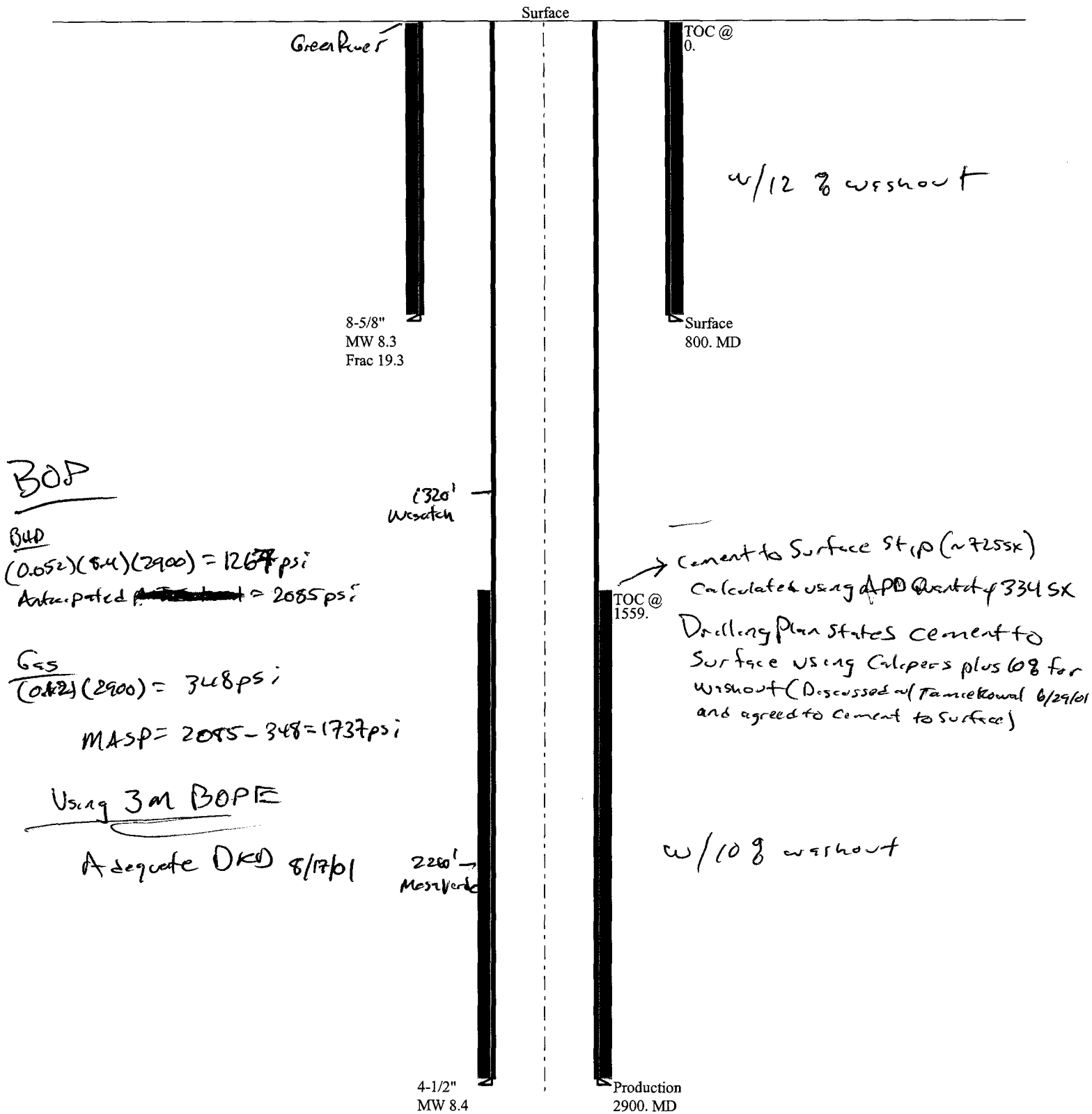
FIELD: WILDCAT (001)

COUNTY: UINTAH SPACING: R649-3-2/GEN ST



08-01 Huntford Quest 16-1

Casing Schematic



Well name:

08-01 Huntford Quest 16-10Operator: **Huntford**String type: **Surface**

Project ID:

43-047-34119

Location: **Uintah Co.****Design parameters:****Collapse**

Mud weight: 8.330 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 76 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 185 ft

Cement top: Surface

Burst

Max anticipated surface pressure:

0 psi

Internal gradient: 0.436 psi/ft

Calculated BHP 349 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 701 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 2,900 ft

Next mud weight: 8.400 ppg

Next setting BHP: 1,265 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 800 ft

Injection pressure 800 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	800	8.625	32.00	N-80	LT&C	800	800	7.875	50.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	346	3050	8.81	349	5710	16.36	26	591	23.09 J

Prepared by: Dustin K. Doucet
Utah Dept. of Natural ResourcesPhone: 801-538-5281
FAX: 801-539-3940Date: August 17, 2001
Salt Lake City, Utah

ENGINEERING STIPULATIONS: Cement to surface on Production Casing (~725 sx); Cement Bond Log shall be run to assure a good cement
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 800 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

08-01 Huntford Quest 16-10Operator: **Huntford**String type: **Production**

Project ID:

43-047-34119Location: **Uintah Co.****Design parameters:****Collapse**

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 106 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 368 ft

Cement top: 1,558 ft

BurstMax anticipated surface
pressure:

0 psi

Internal gradient: 0.436 psi/ft

Calculated BHP 1,265 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 2,537 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2900	4.5	10.50	J-55	ST&C	2900	2900	3.927	60.6
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1265	4010	3.17	1265	4790	3.79	30	132	4.34 J

Prepared by: Dustin K. Doucet
Utah Dept. of Natural ResourcesPhone: 801-538-5281
FAX: 801-539-3940Date: August 17, 2001
Salt Lake City, UtahENGINEERING STIPULATIONS: Cement to surface on Production Casing (~725 sx); Cement Bond Log shall be run to assure a good cement
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.Collapse is based on a vertical depth of 2900 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.*Engineering responsibility for use of this design will be that of the purchaser.*

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

Operator Name: HUNTFORD RESOURCES CORP.

Well Name & Number: QUEST 16-10

API Number: 43-047-34119

Location: 1/4, 1/4 SE/SE Sec. 10 T. 11S R. 25E

Geology/Ground Water:

Huntford proposes to set 1500' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 6000' (below the proposed depth for the well in question). A search of Division of Water Rights records shows 2 water wells within a 10,000 foot radius of the center of section 10. All are industrial use wells with depths ranging from 100-750'. The surface formation at this site is the Green River Formation. The Green River Formation is made up of interbedded limestones, shales and sandstones. The proposed casing and cementing program should adequately protect any underground sources of useable water.

Reviewer: Brad Hill

Date: 08/01/2001

Surface:

The pre-drill investigation of the surface was performed on 7/17/2001. Surface owner is Cliffs Synfuel Corp. Gary Aho (Cliffs Synfuels President) was present at this investigation. He stated a number of specific concerns regarding the construction and drilling of this well. He wanted the reserve pit fenced and closed as soon as it became feasible. He asked that the access road be posted and fenced to keep out unwanted visitors. He asked that the reserve pit be re-seeded with a DWR approved seed mix as soon as it was reclaimed. Mr. Aho also requested that site be reseeded when location is reclaimed and well plugged. He suggested that access road be moved 100' east and follow a ridge top, so turnoff from main road would not be on a blind corner. Mr. Kowal with Huntford agreed to this and stakes were moved. Mr. Kowal stated that there was a possibility that Huntford would use a coil tubing rig to drill this well, and if so, the location would use less area than what is now staked.

Reviewer: David W. Hackford

Date: 7/19/2001

Conditions of Approval/Application for Permit to Drill:

None.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: HUNTFORD RESOURCES CORP.
WELL NAME & NUMBER: QUEST 16-10
API NUMBER: 43-047-34119
LEASE: FEE FIELD/UNIT: WILDCAT
LOCATION: 1/4, 1/4 SE/SE SEC: 10 TWP: 11S RNG: 25E
1854' F W L 718' F S L
LEGAL WELL SITING: Statewide 400 foot window in center of 40
acre tract and no closer than 920 feet from
another well.
GPS COORD (UTM): 12662766E 4414970N
SURFACE OWNER: CLIFFS SYNFUEL CORP.

PARTICIPANTS:

GARY AHO (PRESIDENT CLIFFS SYNFUEL CORP.) JAMIE KOWAL (HUNTFORD
RESOURCES CORP.) DAVID HACKFORD (D.O.G.M.)

REGIONAL/LOCAL SETTING & TOPOGRAPHY:

SITE IS IN AN AREA OF ROLLING HILLS AND SHALLOW DRAWS DRAINING
GRADUALLY TO THE NORTHWEST TOWARD EVACUATION CREEK ONE MILE AWAY.

SURFACE USE PLAN:

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING.
HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WOULD BE 206' BY
300'. ACCESS ROAD WOULD BE 1100 FEET IN LENGTH.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE
ATTACHED MAP FROM GIS DATABASE

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL
PRODUCTION FACILITIES WILL BE ON LOCATION AND CONSTRUCTED
AFTER WELL IS DRILLED AND COMPLETED. THE PIPELINE TO THIS
WELL HAS NOT BEEN SURVEYED.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL
WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS

FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS:

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: NATIVE GRASSES, JUNIPER, GREASEWOOD, CHEAT GRASS, SHADSCALE, SAGE: RODENTS, COYOTES, SONGBIRDS, RAPTORS, PRONGHORN, DEER, ELK, COUGAR, BLACK BEAR.

SOIL TYPE AND CHARACTERISTICS: BROWN SANDY CLAY LOAM.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE ANY INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT:

CHARACTERISTICS: 50' BY 50' AND SIX FOOT DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A LINER WILL NOT BE REQUIRED FOR RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN:

AS PER LANDOWNER AGREEMENT.

SURFACE AGREEMENT: NO.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE IS ON FEE LAND.

OTHER OBSERVATIONS/COMMENTS:

THE PRE-DRILL INVESTIGATION TOOK PLACE ON A HOT CLEAR DAY.

ATTACHMENTS:

PHOTOS OF SITE WILL BE PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

7/17/2001 -10:30 AM
DATE/TIME

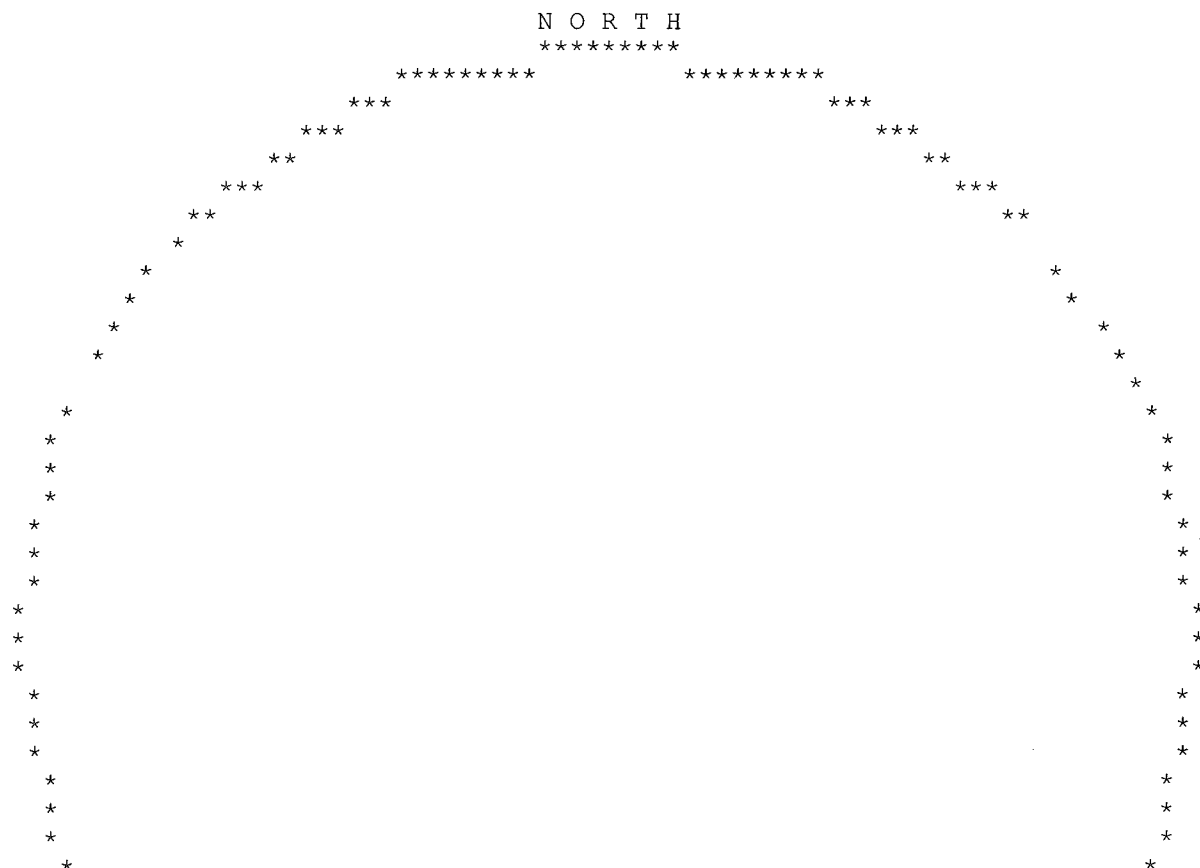
Evaluation Ranking Criteria and Ranking Score
For Reserve and On-site Pit Liner Requirements

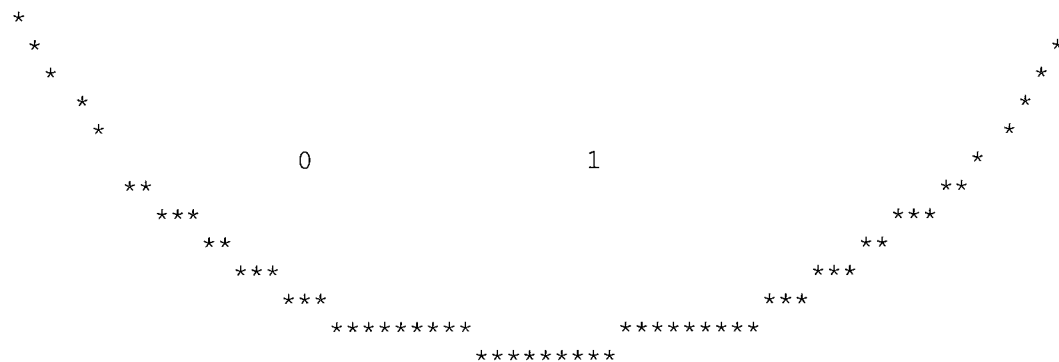
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>0</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility		
Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>
Final Score		<u>10</u>



PLOT OF AN AREA WITH A RADIUS OF 10000 FEET FROM A POINT
FEET, FEET OF THE CT CORNER,
SECTION 10 TOWNSHIP 11S RANGE 25E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 4000 FEET





UTAH DIVISION OF WATER RIGHTS-
NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION DIAMETER	or WELL INFO DEPTH	POINT OF DIVERSION DESCRIPTION YEAR LOG	NORTH	EAST	CNR	SEC	TWN	RNG	B&M
0	49 1587	.0000	1.93	6	100 - 500		N	1200 W	1320	SE 16	11S	25E	SL
	WATER USE(S): OTHER												
	Anschutz Exploration Corp.												
	555 Seventeenth Street												
	PRIORITY DATE: 10/26/199												
	Denver												
1	49 1586	.0000	1.93	6	100 - 500		N	1121 W	1735	SE 15	11S	25E	SL
	WATER USE(S): OTHER												
	Anschutz Exploration Corp.												
	555 Seventeenth Street												
	PRIORITY DATE: 10/26/199												
	Denver												

From: Frances Bernards
To: Cordova, Lisha
Date: 6/27/01 2:15PM
Subject: Wildcat well projects

The following comment applies to: 1) Wildcat Well Quest 6-15, 2) Wildcat Well Quest 16-10, 3) Wildcat Well Stacey Hollow 13-27, 4) Wildcat Well Crane 8-7, 5) Wildcat Well Suttons 4-12; 6) W.W. Quest 8-15; 7) W.W. Quest 14-10; 8) W.W. Crane 16-18; 9) W.W. Crane 16-7; 10) W.W. Crane 8-18:

The proposed well drilling project may require a permit, known as an Approval Order, from the Utah Division of Air Quality if any compressor stations are operating at the site. A permit application, known as a Notice of Intent (NOI) should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Conservation Rule R307-400, Permits, Notice of Intent and Approval Order.

If you have any questions, please contact me at 536-4056 or email at fbernard@deq.state.ut.us.

Frances Bernards, Planner
Utah Division of Air Quality
150 N. 1950 West
SLC, UT 84116

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Huntford Resources Corp.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: None
3. ADDRESS OF OPERATOR: 14550 E Easter Ave. CITY Englewood STATE CO ZIP 80112		7. UNIT or CA AGREEMENT NAME: None
PHONE NUMBER: (303) 617-7454		8. WELL NAME and NUMBER: Quest 16-10
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1989' FNL 1939' FWL		9. API NUMBER: N/A
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 10 11S 25E		10. FIELD AND POOL, OR WILDCAT: Wildcat
COUNTY: Uintah		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input checked="" type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

We will be changing the depth of our surface casing from 1500' to 800'. We had initially intended to set casing at that depth to protect the oil shales located in the area, but after a discussion with Gary Aho of Cliff Synfuels, we are able to protect the shales with 800' of casing since the shales are found from 400' to less than 600'.

RECEIVED

JUN 26 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Steven Tedesco</u>	TITLE <u>President</u>
SIGNATURE <u></u>	DATE <u>6/25/2001</u>

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Huntford Resources Corp.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: None
3. ADDRESS OF OPERATOR: 14550 E. Easter Ave CITY Englewood STATE CO ZIP 80112		7. UNIT or CA AGREEMENT NAME: None
PHONE NUMBER: (303) 617-7454		8. WELL NAME and NUMBER: Quest 16-10
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1986' FNL 1939' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 10 11S 25E		9. API NUMBER: N/A 43-047-34119
		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Uintah
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input checked="" type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Change cement type
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

In order to protect the oil shales, we will use N-80 32#/ft 8 5/8" casing to a depth of 800'.
The casing will be cemented with Class G cement at 0.95 ct/sx.
We will run centralizers every 50' to the bottom of surface casing. This will take use below the required centralizer depth of the Parachute creek which is found around 400'.

RECEIVED

JUL 02 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Steven A. Tedesco

TITLE President

SIGNATURE

DATE 6/29/2001

(This space for State use only)



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

August 30, 2001

Huntford Resources Corp
14550 E Easter Ave, Suite 1000
Englewood CO 80112

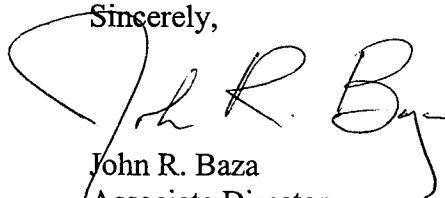
Re: Quest 16-10 Well, 740' FSL, 662' FEL, SE SE, Sec. 10 , T. 11 South, R. 25 East,
Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34119.

Sincerely,



John R. Baza
Associate Director

er

Enclosures

cc: Uintah County Assessor

Operator: Huntford Resources Corp
Well Name & Number Quest 16-10
API Number: 43-047-34119
Lease: FEE

Location: SE SE Sec. 10 T. 11 South R. 25 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

(continued on Page Two)

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
7. In accordance with the Order in Cause No. 190-3 dated September 19, 1985 and as amended by 190-13, the operator shall comply with the requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operators shall ensure that the surface and or production casing is properly cemented over the entire oil shale section as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the division.
8. Production casing shall be cemented to the surface (~725 sx).
9. Cement bond log shall be run to assure a good cement job to surface.

RECEIVED

AUG 20 2001

DIVISION OF
OIL, GAS AND MINING

**RIGHT-OF-WAY AND SURFACE DAMAGE AGREEMENT
LETTER AGREEMENT**

THIS AGREEMENT is made and entered into by and between HUNTFORD RESOURCES CORPORATION (HUNTFORD), 14550 East Easter Ave., Ste 1000, Englewood, CO 80112, and Cliffs Synfuel Corp. (Cliffs), P. O. Box 1211, Rifle, Colorado 81650 (hereinafter referred to as "Grantor") for a period of three years from July 1st, 2001. The purpose of this agreement is to standardize the terms and conditions of Huntford and its assignees, heirs and partners access and use of the surface owned and held by Cliffs Synfuel Corp.

WHEREAS, Grantor is the surface owner of the following lands:

Township 11 South, Range 25 East, SLM, Uintah County, Utah
Section 2: All
Section 3: All
Section 4: All
Section 5: E/2, E/2W/2
Section 8: E/2NE/4, SE/4, E/2SW/4, NW/4SW/4
Section 9: All
Section 10: All
Section 11: All
Section 14: All
Section 15: All
Section 16: All
Section 17: E/2, E/2NW/4, NE/4SW/4
Section 21: NE/4, NE/4NW/4, N/2SE/4, SE/4SE/4
Section 22: All
Section 23: NW/4, N/2SW/4,
Section 27: NE/4, E/2NW/4, NW/4NW/4
Section 28: NE/4NE/4

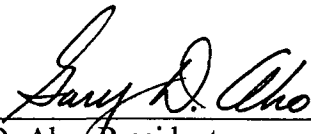
(hereinafter referred to as the "Land(s)"); and

WHEREAS, HUNTFORD desires to enter onto and cross such Lands for the purpose of drilling one or more exploratory or development oil and/or gas wells on lands, located in Township 11 South, Range 25 East, Uintah County, Utah (hereinafter referred to as the "Drillsites"). The attached template in Exhibit A will be the form for the Right-of-Way and Surface Use Agreement for all Drillsites used by Huntford Resources Corp., its assignees, heirs and partners for a period of three years from the date of this Letter Agreement. This Agreement does not cover pipeline right-of-away, which is covered by a separate Agreement between Huntford Resources Corp. and Cliff Synfuel Corp. It is not intended that this letter Agreement, or individual Drillsite agreements using Exhibit A, be recorded in county records.

This Agreement constitutes the entire Agreement between the parties hereto as to the subject matters herein set forth and supersedes all prior written or oral agreements relative thereto. No change, modification, alteration or amendment to this Agreement shall be binding upon the parties hereto except as specifically expressed in writing and signed by each party agreeing to be bound thereby.

RIGHT-OF-WAY AND SURFACE DAMAGE AGREEMENT LETTER AGREEMENT
SIGNATURE PAGE

CLIFFS SYNFUEL CORP.

By: 
Gary D. Aho, President

HUNTFORD RESOURCES CORP.

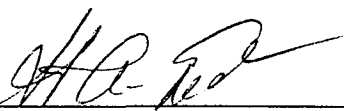
By: 
Steven A. Tedesco, President

EXHIBIT A

RIGHT-OF-WAY and SURFACE DAMAGE AGREEMENT (Huntford Resources Corporation _____)

THIS AGREEMENT is made and entered into by and between HUNTFORD RESOURCES CORPORATION (HUNTFORD), 14550 East Easter Ave., Ste 1000, Englewood, CO 80112, and Cliffs Synfuel Corporation (Cliffs), P. O. Box 1211, Rifle, Colorado 81650 (hereinafter referred to as "Grantor"), effective _____, 200 .

WHEREAS, Grantor is the surface owner of _____ quarter Section _____ Township 11 South Range 25 East, Uintah County, Utah (hereinafter referred to as the "Land(s)"); and

WHEREAS, HUNTFORD desires to enter onto and cross such Lands for the purpose of drilling an exploratory oil and/or gas well, _____ (WELL), located in the _____ quarter of the _____ quarter, Section _____ Township 11 South, Range 25 East, Uintah County, Utah (hereinafter referred to as the "Drillsite").

NOW THEREFORE, for and in consideration of the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- I. HUNTFORD, shall pay Grantor the sum of \$3,000.00 up front payment for damages to surface of the Lands for road access to the Drillsite and for the Drillsite for the drilling of the WELL. Within sixty days of completion of the Well either as a producer or a plugged and abandoned well, Huntford shall survey the new access road and the Drillsite to compensate Cliffs for any additional damage that may have occurred during drilling and completion operations. Compensation will be on a \$1,500.00 per acre cost for any damages exceeding 2.0 acres and such compensation, if due, will be paid within thirty (30) days of the surveyor's report being released. Huntford shall utilize existing access routes to the maximum extent feasible, so as to minimize surface disturbances for access to facilities.
- II. HUNTFORD and their assigns or agents shall have the right to use a reasonable amount of access road across the Lands and shall have the right to move derricks, drilling tools, vehicles, and all other machinery and equipment necessary or incident to the re-drilling, drilling, testing completion, operation of the WELL. Such activity shall be restricted to existing public roads or access roads covered by this agreement. Any roads or surface facilities may be relocated at Cliffs' expense if needed due to oil shale mining or processing in the future.
- III. This Agreement and the rights granted herein are effective and shall continue in full force and effect so long as operations are conducted on the WELL. Upon execution of this Agreement, all payments due hereunder shall be paid concurrently. Operations are defined under terms of the oil and gas lease with Cliffs as taken by Contex Energy, which is Huntford's land agent and acquisition company, and under the Rules and Regulations defined by the State of Utah.
- IV. Cattle guards or gates will be constructed, if requested by Grantor, at all places where the openings go through the existing fences and gates will be kept closed at all times except when opened for passage of traffic. Also, gates shall be installed to limit access to producing wells on roads constructed by Huntford, if by mutual agreement between Huntford and Cliffs.
- V. If there is any fill used for roads constructed across any drainage, then culverts will be used for

the free flow of water through said drainage.

- VI. If the access road departs from existing established roadways and new construction is required, topsoil will be segregated and stockpiled for replacement during reclamation activities.
- VII. It is understood that any road constructed across the said Lands shall not exceed 30 feet in total width, including the total disturbed area between the outside of each berm, without the prior approval of Grantor.
- VIII. Upon completion of the WELL as a dry hole and the subsequent abandonment thereof, and at the request of the Grantor, any drill pads and newly constructed road will be restored and seeded within 180 days to the condition it was in prior to commencement of operations insofar as reasonably possible. Any preexisting roads, and the improvements thereto, which are constructed by HUNTFORD, shall be left in a good and usable condition for the continued use by Grantor. Reclaimed areas will be reseeded with a wildlife mixture approved by the Utah Division of Wildlife.
- IX. In the event that the WELL is completed as a producer of oil and/ or gas, HUNTFORD shall build and maintain a permanent access road in conformance with the already established county road including any variances granted by the county for existing roads to the Drillsite. Disturbed areas not used for production will be regraded and seeded with an approved wildlife seed mix within 90 days unless prohibited by weather.
- X. Upon completion of the WELL as a well capable of oil and/or gas production, this Agreement shall continue in full force and effect and HUNTFORD shall pay in advance to Grantor an annual access rental of two hundred dollars (\$200) per pad and \$200 per acre of roadway (30-foot width), or a minimum of \$500 to include the pad and roadway for each well, whichever is greater, on or before January 31st of each year thereafter until the subject well is plugged and abandoned and operations cease thereon.
- XI. It is expressly understood that the settlement amounts in paragraph I are only for construction of a road and drilling location and is not a settlement for any damages to contiguous property, personal property of the Grantor or a release of any personal injuries that may be sustained by reason of the operations carried on by Huntford or its agents.
- XII. This Agreement does not cover pipeline easements and Huntford acknowledges that it must secure a separate agreement prior to laying pipeline related to production of gas or oil on Cliffs' lands.
- XIII. This Agreement shall not be assigned, nor the rights hereunder transferred in any manner without the prior written consent of Grantor, which consent shall not be unreasonably withheld.
- XIV. HUNTFORD shall comply at its own expense with the Workman's Compensation Law of the State of Utah and shall maintain such insurance throughout the duration of this Agreement, and shall furnish Grantor prior to beginning work on the Lands evidence of such insurance and at each policy period thereafter renewal evidence that such insurance is being maintained. HUNTFORD, with respect to its operation in connection with this Agreement, shall also purchase or provide for (i) comprehensive general public liability insurance with a combined single limit not less than One Million Dollars (\$1,000,000) for bodily injury and property damage; and (ii) automobile insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) for bodily injury and property damage. At Grantor's request, HUNTFORD shall furnish Grantor with a certificate or certificates of insurance secured and maintained hereunder and Grantor shall be an additional insured thereon.

- XV. In the event any person or entity (including Grantor) suffers a loss of any kind or character, or death or injury, (1) as a result of a breach of this Agreement by HUNTFORD, or its agents, contractors, or employees, or (2) as a result of HUNTFORD or its agents, contractors, or employees performing on the Drillsite or elsewhere, any action, directly or indirectly, in furtherance of a right hereunder, or (3) from any cause whatsoever while being on the Lands and the Drillsite to conduct any work or service for HUNTFORD, HUNTFORD shall reimburse, indemnify defend and hold harmless Grantor for any and all losses, costs, claims, liability, litigation, demands, damages and expenses (including all attorney fees) of every kind or character which Grantor may suffer or be subject to as a result of said loss or injury whether or not such losses, costs, claims, liabilities, litigation, demands, damages, and expenses (including all attorney fees) result from the condition of Grantor's premises or facilities, unless through the sole negligence of Grantor or its agents.
- XVI. HUNTFORD shall provide Grantor with not less than forty-eight (48) hours advance notice, either by phone, mail or in person, of HUNTFORD's intent to enter upon the Land for the purpose of commencing operations thereon. HUNTFORD shall conduct its operations in such a manner as to use no more Land than is reasonably necessary and shall use all reasonable efforts not to interfere with the use of the Land by the Permittee in that certain Consolidated Grazing Permit dated January 1, 1998 by and between Grantor, as Owner, and O. S. Wyatt, Jr., as Permittee, or the rights of subsequent grazing permittees. All drilling fluid pits shall be fenced within ten days of end of drilling the WELL as a producer or dry hole and then the pits will be reclaimed and reseeded within 180 days of the completion of the well as a producer or dry hole. Surface structures shall be fenced, if they represent a potential hazard to livestock, by mutual agreement between HUNTFORD and Cliffs. The type of fencing to be mutually agreed upon by HUNTFORD and Cliffs. HUNTFORD will have ten days to effect repairs or problems with fences when notified by e-mail or in writing by Cliffs. HUNTFORD can request an extension of the closure of pits beyond the 180 days from the completion of the WELL if closing the pits represents a potential hazard or closing the pits at that time will not comply with the State of Utah's reclamation requirements and pit closure requirements. An extension will not be unreasonably withheld.
- XVII. HUNTFORD shall have the right at any time, and from time to time, to remove any or all property, fixtures, equipment and materials, placed by HUNTFORD on the Land, including the right to draw and remove casing. Within 90 days after plugging of the WELL this Agreement will expire and, HUNTFORD shall remove all remaining property, fixtures, equipment and materials that were placed by HUNTFORD on the Land. Such removal shall be accomplished at HUNTFORD's sole cost, risk, and expense. If such items are not removed within 90 days, Grantor shall have the right to remove those items from the Land and bill the associated cost for such removal to HUNTFORD.
- XVIII. This agreement restricts the HUNTFORD's use of Grantor's lands to the sole purpose of exploration and production of oil and/or gas at this specific site. It does not grant HUNTFORD, its contractors, or its agents the right to use the Grantor's property for any other purpose.
- XIX. All operations of HUNTFORD hereunder which involve drilling for and producing of oil and gas, or both, or the cessation, or abandonment, of its operations shall be conducted in a good and workmanlike manner and in accordance with standard oil field practices and in accordance with all applicable federal, state and local statutes and regulations including specifically, but not by way of limitation, such laws and regulations governing the operation, maintenance and

reclamation of well sites, pipelines, tank batteries, and other related facilities as may be utilized by HUNTFORD and its operations hereunder. HUNTFORD shall further adhere to and abide by all federal, state and local environmental statutes and regulations addressing air, water, and solid waste pollution and the handling storage, storage, use and disposal of hazardous substances as prescribed in The Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. & 9601, et seq. (CERCLA). HUNTFORD shall provide Grantor with copies of all applications for environmental permits, notices of violation or alleged violations of any environmental laws, governmental requests for any information pertaining to environmental issues relating to the Land or products produced therefrom or HUNTFORD's use thereof, copies of any responses from HUNTFORD's to said requests, and any environmental investigations, reports, or studies involving the Land or products produced therefrom or the use thereof by HUNTFORD which, from time to time, may be obtained by HUNTFORD.

- XX. HUNTFORD also agrees to abide by the laws or regulations of the State of Utah designed to protect either coal seams or oil shale deposits, including but not limited to those specific rules set forth in the General Rules and Regulations of the Utah Board of Oil, Gas and Mining, as amended, pertaining to such matters. HUNTFORD acknowledges that the Land under this agreement was designated as an "Oil Shale Area" on August 22, 1985, amended in May of 2001, and HUNTFORD hereby agrees to follow the Board's procedure for wells drilled in designated "Oil Shale Areas" as set forth in the aforementioned General Rules and Regulations as amended in 2001.
- XXI. The provisions hereof shall be considered as covenants running with the Land during the life of the Agreement and all modifications thereof, and any assignment of the Agreement shall be subject to the provisions thereof.
- XXII. This Agreement constitutes the entire Agreement between the parties hereto as to the subject matters herein set forth and supersedes all prior written or oral agreements relative thereto except for said LETTER AGREEMENT entitled GENERAL RIGHT-OF-WAY and SURFACE DAMAGE AGREEMENT entered into and signed between Huntford Resources Corporation and Cliffs Synfuels Corporation dated July 1st, 2001 as this agreement will be subordinate to that said agreement. No change, modification, alteration or amendment to this Agreement shall be binding upon the parties hereto except as specifically expressed in writing and signed by each party agreeing to be bound thereby.

CLIFFS SYNFUEL CORP.

By: _____
Gary D. Aho, President

HUNTFORD RESOURCES CORP.

By: _____
Steven A. Tedesco, President

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Huntford Resources Corporation		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 14550 E. Eastern Ave., Englewood, CO 80112		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL SEE ATTACHMENT		8. WELL NAME and NUMBER:
FOOTAGES AT SURFACE:		9. API NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT:
		COUNTY: Uintah
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Huntford Resources Corporation agrees to relinquish its holdings to the above referenced wells in Uintah County, Utah to TCC ROYALTY CORPORATION and hereby names TCC ROYALTY CORPORATION as OPERATOR. HUNTFORD RESOURCES CORPORATION further acknowledges that a bond of \$80,000.00 in the form of a CD 0621469550 is being held by the Director of Oil, Gas and Mining as Agent of the State of Utah and agrees to internally transfer this bond into TCC Royalty's name as collateral and held by the State of Utah.

TCC ROYALTY CORP.

Name: CHRISTINE Tedesco
Signature: [Signature]

Title: President
Date: 12/19/01

HUNTFORD RESOURCES
NAME (PLEASE PRINT) Steven A. Tedesco

SIGNATURE [Signature]

TITLE President
DATE 12/19/01

(This space for State use only)

RECEIVED

(5/2000)

(See Instructions on Reverse Side)

DEC 24 2001

DIVISION OF
OIL, GAS AND MINING

List of Wells being transferred from Huntford Resources Corporation to TCC Royalty Corporation.

API No.	Well Name	Location
43-047-34118	\ Quest 14-10	718 FSL 1854 FWL Section 10 T11S R25E
43-047-34119	\ Quest 16-10	740 FSL 662 FEL Section 10 T11S R25E
43-047-34116	\ Quest 6-15	1989 FNL 1939 FWL Section 15 T11S R25E
43-047-34117	\ Quest 8-15	1986 FNL 735 FEL Section 15 T11S R25E
43-047-33805	\ Quest 16-21	420 FSL 460 FEL Section 21 T11S R25E
43-047-33804	\ Quest 10-22	Nw Se Section 22 T11S R25E
43-047-33806	\ Quest 16-22	Se Se Section 22 T11S R25E
43-047-33693	\ Quest 22-1	560 FSL 1712 FWL Section 22 T11S R25E
43-047-33801	\ Quest 4-28	577 FNL 1014 FWL Section 28 T11S R25E
43-047-33803	\ Quest 6-28	1720 FNL 1980 FWL Section 28 T11S R25E

1. GLH		4-KAS
2. CDW ✓		5-LP
3. JLT		6-FILE

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: **12-19-2001**

FROM: (Old Operator):
HUNTFORD RESOURCES CORPORATION
Address: 14550 E. EASTER AVE
ENGLEWOOD, CO 80112
Phone: 1-(303)-617-7242
Account N1405

TO: (New Operator):
TCC ROYALTY CORPORATION
Address: 14550 E. EASTER AVE
ENGLEWOOD, CO 80112
Phone: 1-(303)-617-7242
Account N1995

CA No.

Unit:

WELL(S)

[illegible]

OPERATOR CHANGES DOCUMENTATION

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 12/24/2001
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 12/24/2001

3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 12/26/2001
4. Is the new operator registered in the State of Utah: YES Business Number: 4817842-0143
5. If **NO**, the operator was contacted on: N/A

6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change) for all wells listed on Federal or Indian leases on: N/A

7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: N/A

8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A

9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 12/26/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 12/26/2001
3. Bond information entered in RBDMS on: 12/26/2001
4. Fee wells attached to bond in RBDMS on: 12/26/2001

STATE BOND VERIFICATION:

1. State well(s) covered by Bond No.: N/A

INDIAN BOND VERIFICATION:

1. Indian well(s) covered by Bond No.: N/A

FEDERAL BOND VERIFICATION:

1. Federal well(s) covered by Bond No.: N/A

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond: 621469550
2. The **FORMER** operator has requested a release of liability from their bond on: SEE COMMENTS
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 12/26/2001

COMMENTS: Huntford Resources Corp Certificate of Deposit was transferred to TCC Royalty Corp. See bond file.



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

September 6, 2002

Steve Tedesco
TCC Royalty Corporation
14550 E. Easter Ave
Englewood, Colorado 80112

Re: APD Rescinded – Quest 16-10, Sec. 10, T. 11S, R. 25E
Uintah, Utah API No. 43-047-34119

Dear Mr. Tedesco:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining on August 30, 2001. On September 6, 2002, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 6, 2002.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Engineering Technician

cc: Well File
Gil Hunt, Technical Services Manager